

REMARKS

The Examiner has rejected claims 1-15 and 22-24 under 35 U.S.C. 103(a) as being unpatentable over Basch et al. (U.S. Patent No. 6,119,103) in view of Abreu (Publication No. 2001-0056359). Applicant respectfully traverses the Examiner's rejection. Claims 1-3, 10, 23-24 have been amended. Claim 22 has been cancelled. No new matter has been added.

a. 35 U.S.C. 103(a)

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The Applicant has narrowed the scope of currently pending independent claims 1 and 2 to more clearly indicate that the present invention teaches methods for managing regulatory risk that a bank or other financial institution faces as it considers whether to enter into a transaction participant. Contrary to prior art systems that provide indication of whether a transaction participant has committed fraud or is a financial risk, the present invention provides an indication of whether the financial institution will have a high risk of violating a government regulation if it completes a transaction. The indication of whether the bank will face a high risk of violating a government regulation is based upon aggregated data that quantify facts relevant to such a risk determination.

Neither Basch nor Irving describe or suggest managing risk related to whether a financial institution will violate a government regulation by moving forward with a transaction. In addition, neither Basch nor Irving describe or suggest tagging the data with an indication of a source from which the data was received and transmitting an indication of the source and also transmitting a link to the information source. Claims 2-15 and 23-24 depend from claim 2 and accordingly contain all of the limitations of claim 2 in addition to unique limitations associated with each respective claim. Therefore the Applicant respectfully requests allowance of claims 1-15 and 23-24.

The Applicant again states for the record, that in order for the Examiner to meet his burden of establishing a case of obviousness, the Examiner must meet three basic criteria. First, there must be some suggestion or motivation, either in the references themselves, or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the references' teachings; secondly, there must be a reasonable expectation of success; and thirdly, the prior art reference (or references when

combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on the applicant's disclosure. MPEP 706.02(j), citing In re Vaeck, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991). Further, a *prima facie* case of obviousness requires that all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 U.S.P.Q. 580 (C.C.P.A. 1974). The prior art cited by the Examiner does not meet these burdens.

Basch is specifically directed to, and the description focused on, a system and method for predicting and assessing only the financial risk that may be associated with a financial transaction of an already existing account holder, or with a first issued account. The Basch system and method require that at least one first credit account issues to an account holder by a credit account issuer. The risk is calculated by monitoring the transactions made by the account holder in one or multiple accounts held with one or multiple account issuers. A score is then formulated for an account, and when such account score goes below a predefined financial risk threshold.

Basch does not address regulatory risk as claimed in the present invention. Basch additionally fails to describe or suggest gathering data comprising government issued information relevant to regulation of a manufactured product and aggregating in the computer storage. Basch also does not describe or suggest arranging the data according to risk variables that include a recall of the product and a product safety warning. Combining Basch with Irving does not help the Examiner meet his statutory burden.

Abreu describes methods and systems to assist the users timely identify a health hazard or other hazardous situation or difficulty that may result due to unintended harmful effects and adverse consequences of a variety of products and/or biological variables, and to prevent the occurrence of such harmful effects. According to Abreu, a product-based and biological variable-based system has a location; information and recall system that provides electronic transmission of data via the Internet and can also include a portable hand-held device (or otherwise portable unit) that can be carried by the user. The portable hand-held is adapted to receive and store the product data and a username and also is adapted to receive and store information from remote recall and information sources such as government agencies, private institutions such as medical institutions, manufacturing companies, and the like. The system allows a plurality of users who have product information stored in a database of the central server on their behalf to update and transmit information to the database using a public network to receive feedback information on the products stored in the database. The computer server can send information

and warnings about the products for which data is stored in the database, as soon as such information or warnings are received, to all of the users of the products. The hand-held device carried by the user can provide a record of variable, such as biological data or products being utilized by a user.

User data include, therefore, variables that can be measured in a living tissue. Factors which alter biological variables include any physical or chemical action or interaction with/to living tissue that causes any change in, on, or surrounding the living tissue; a chemical compound that alters any biological variable or any living tissue is referred to herein as a drug. Abreu relates risk to living beings of harm or death caused by the unintended harmful effect of a product.

Neither Basch nor Abreu describe or suggest aggregation and association of data with a risk of regulatory risk. In addition, neither Basch nor Abreu describe or suggest transmission of data, and a data source, to a financial institution, wherein the data is relevant to government regulation of an action being considered by a financial institution.

Even if the cited references did describe each of the limitations of the claimed invention (which, as indicated above, they do not) the Examiner has not given a compelling reason to combine these disparate references. The Federal Circuit has held that it is inappropriate to rely solely on 'common sense' or 'basic knowledge' in the art as the principal evidentiary basis for a rejection, without evidentiary support in the record. MPEP § 2144.03(B) (citing In re Zurko, 258 F.3d 1379, 1386 (Fed. Cir. 2002) ("holding that general conclusions concerning what is 'basic knowledge' or 'common sense' to one of ordinary skill in the art without specific factual findings and some concrete evidence in the record to support these findings will not support an obviousness rejection.")). Thus, the Examiner's obviousness rejection cannot stand based on his statement regarding what is "well known in the art."

For the reasons set forth above, Applicant respectfully submits that the presently claimed invention complies with all aspects of 35 U.S.C. 103(a) and urges allowance of claims 1-15 and 23-24.

Response to Final Office Action
U.S. Patent Application No. 10/021,124
Docket No. 3499-135

CONCLUSION

For the reasons set forth above, allowance of this application is courteously urged. If there remains any question regarding the present application, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact the undersigned at (212) 878-8476.

Please charge any fees due in connection with this Amendment to Deposit Account No. 50-0521.

Respectfully submitted,

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/Joseph P. Kincart/

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